

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

SB 802 - HB 1063

April 9, 2021

SUMMARY OF ORIGINAL BILL: Requires the Department of Correction (DOC), Division of Probation and Parole Field Service to gather outlined data and define and track outlined outcome-based measures. Requires the Department of Finance and Administration (F&A), Office of Criminal Justice Programs (OCJP) to calculate a reinvestment payment for the DOC and a probation and parole failure reduction incentive payment for each district that has successfully improved outcome based on comparative performance data beginning January 1, 2026.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – \$2,796,500/FY21-22
\$2,416,000/FY22-23 and Subsequent Years

Other Fiscal Impact – The proposed legislation may result in decreases in state expenditures and result in the re-appropriation of funding to outlined parties. The timing and amount of any decrease or re-appropriation is unknown and unable to be quantified with reasonable certainty.

SUMMARY OF AMENDMENT (006128): Deletes and replaces all language after the enacting clause such that the substantive changes are to: (1) revise the calculation for disbursement of allocated funds; (2) remove the OCJP periodic oversight requirement; (3) authorize the Comptroller of the Treasury (COT) to periodically audit allocations; (4) revise reinvestment payment calculations; and (5) remove OCJP from the F&A calculation of reinvestment payments requirements.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On March 30, 2021, a fiscal memorandum was issued with the following fiscal impact:

*Increase State Expenditures – \$2,612,200/FY21-22
\$2,234,700/FY22-23
\$2,234,700/FY23-24
\$2,234,700/FY24-25
\$2,319,900/FY25-26
\$2,318,300/FY26-27 and Subsequent Years*

Other Fiscal Impact – The proposed legislation may result in decreases in state expenditures and result in the re-appropriation of funding to outlined parties. The timing and amount of any decrease or re-appropriation is unknown and unable to be quantified with reasonable certainty.

Based on additional information from the Department of Correction and further analysis, this impact was determined to be in error. The corrected fiscal impact is estimated as follows:

(CORRECTED)

**Increase State Expenditures – \$85,100/FY25-26
\$83,600/FY26-27 and Subsequent Years**

Other Fiscal Impact – The proposed legislation may result in shifts in state expenditures and result in the re-appropriation of funding to outlined parties. The timing and amount of any shifts or re-appropriation is unknown and unable to be quantified with reasonable certainty but will not occur until at least FY25-26.

Corrected assumptions for the bill as amended:

Comptroller of the Treasury

- The proposed legislation authorizes the COT to periodically audit the monetary allocation to the specific divisions tasked with administering funds to ensure that disbursed funds are being appropriately used as specified by the proposed legislation.
- Based on information provided by COT, any fiscal impact resulting from this authorization is estimated to be not significant.

Finance and Administration

- The proposed legislation will necessitate one fiscal manager to assist with the generation of reinvestment and incentive calculations.
- The recurring salary and benefits for the position in FY25-26 is estimated to be \$83,625 (\$65,928 + \$17,697).
- The proposed legislation will result in a one-time increase in state expenditures in FY25-26 computers estimated to be \$1,500.
- The total increase in state expenditures in FY25-26 associated with the F&A positions is estimated to be \$85,125 (\$83,625 + \$1,500).
- The total increase in state expenditures in FY26-27 and subsequent fiscal years associated with the F&A positions is estimated to be \$83,625.

Reinvestment Calculations

- The proposed legislation outlines the calculation of the savings resulting from evidence-based practice efforts in periods of probation and parole and directs such funding to be deposited in to the General Fund and re-appropriated to the DOC to disburse funding for such programming and bonuses for officers in districts receiving incentive funding.

- The proposed legislation may result in a shifts in state expenditures from operations to expenditures associated with evidence practices and bonuses for officers ; however, the timing, participation, outcomes, and calculation results are unknown and unable to be quantified with reasonable certainty.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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